



LINCOLN CHAFEE

U.S. SENATOR

RHODE ISLAND

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CHAFEE STATEMENT ON BUDGET RECONCILIATION ACT

WASHINGTON, D.C. – Today, **U.S. Senator Lincoln Chafee (R-RI)** issued the following statement regarding his vote on the Deficit Reduction Omnibus Reconciliation Act of 2005:

“I could not support today’s Budget Reconciliation Act due to substantial cuts affecting low-income families and individuals in Rhode Island.

Provisions in this legislation which affect eligibility requirements of citizens to receive benefits under the State Children’s Health Insurance Program (SCHIP) will result in a very difficult burden on the state’s taxpayers, costing the state an estimated six to seven million dollars per year.

Also troubling are changes the bill makes to the scope of Targeted Case Management (TCM) services, restricting its application to certain populations of foster children and individuals with HIV/AIDS, and thereby jeopardizing the direct delivery of health care and social services to those who need it most. In talking with Rhode Island Department of Human Services officials, I understand that this new definition would force other safety net providers to step in and subsidize the costs – which total over \$760 million over five years – and, as a result, responsibility will be moved to the state. In the Senate, I supported an amendment offered by my colleague Jack Reed (D-RI) to remove this provision, but it was defeated in a close vote.

Furthermore, changes in Medicaid language and funding cuts of \$6.9 billion will shift the burden of health care costs for our lowest income residents back to Rhode Island, leading to a reduction of benefits. I remain concerned that these changes will have adverse effects on those receiving treatment for mental illness and all other recipients of Medicaid who rely daily on these benefits.

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In addition, provisions within the bill would allow states to call for increases in co-payments and premiums for Medicaid beneficiaries, providing fewer citizens with the means to pay for necessary health care services and medications.”

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